

HOUSE MAJORITY WHIP
JAMES E. CLYBURN
THE DAILY WHIPLINE

Thursday, January 18, 2007

House Meets At...	Last Votes Predicted At...
10:00 a.m. for Legislative Business	3-4:00 p.m.
Five "One-Minutes" per side	

**ANY ANTICIPATED MEMBER ABSENCES DURING VOTES SHOULD BE REPORTED TO
THE OFFICE OF THE MAJORITY WHIP AT: 226-3210**

Floor Schedule and Procedure

- **H. Res. 66– Providing for consideration of H.R. 6-the CLEAN Energy Act of 2007:** The House will first consider a Rule that provides for three hours of debate on H.R. 6 and a Republican motion to recommit. The Rule will be managed by Rep. Jim McGovern and will be considered in the following order:
 - One hour of debate on the Rule.
 - Republican attempt to defeat the Previous Question on the Rule. **Democrats are urged to vote YES.**
 - Adoption of the Rule. **Democrats are urged to vote YES.**
- **H.R. 6, the CLEAN Energy Act of 2007:** Next, the House will consider a bill to repeal \$14 billion in subsidies given to Big Oil companies that are raking in record profits over 10 years and invest those funds in clean, renewable energy and energy efficiency. The bill will be managed by Ways and Means Chair Charlie Rangel, Natural Resources Chair Nick Rahall, Agriculture Chair Collin Peterson, and Science and Technology Chair Bart Gordon. The bill will be considered in the following order:
 - 3 hours of debate on H.R. 6.
 - 10 minutes of debate on the Republican motion to recommit.
 - Vote on Republican motion to recommit. **Democrats are urged to vote NO.**
 - Vote on final passage of H.R. 6. **Democrats are urged to vote YES.**
- **Recorded vote on H. Res. 62:** At some point today, the House will take a recorded vote on the following Suspension bill debated on Wednesday:
 1. **H. Res. 62** – Congratulating the Grand Valley State University Lakers for winning the 2006 NCAA Division II Football National Championship. (Rep. Hoekstra-Education and Labor)

Bill Summary and Key Issues

H.R. 6, the CLEAN Energy Act of 2007:

- **The CLEAN Energy Act of 2007** would repeal \$14 billion in subsidies given to Big Oil companies that are raking in record profits over 10 years and invest those funds in clean, renewable energy and energy efficiency. [CBO, 1/07] The measure ensures that oil companies that were awarded the 1998 and 1999 leases for drilling have paid their fair share in royalties. It will also close loopholes and end giveaways for Big Oil in the tax code and in the 2005 Energy bill. Finally, the bill creates a Strategic Renewable Energy Reserve to invest in clean, renewable energy resources and alternative fuels, promote new energy technologies, develop greater efficiency and improve energy conservation.
- **Closes Tax Loophole for Oil Companies:** The bill eliminates a loophole written into the international tax bill (H.R. 4520), which allowed oil companies to qualify for a tax provision intended to encourage domestic manufacturing. This loophole provided ConocoPhillips \$106 million in 2005, even as it enjoyed profits totaling \$13.5 billion. [New York Times, 4/27/06] (JCT: \$7.6 billion over 10 years)
- **Rolls-Back 2005 Energy Bill Tax Break for Geological and Geophysical Expenditures:** The bill rolls back tax breaks for geological studies for oil exploration -- similar to a proposal in the FY 2007 Bush budget. This tax break is rolled back for only for the 5 largest integrated oil companies. Under the measure, those companies will write off their exploration costs over seven years, instead of over five years under the 2005 energy bill. (JCT: \$104 million over 10 years)
- **Repeals Five Royalty Relief Provisions from the 2005 Energy Bill:** The measure strikes energy bill provisions suspending royalty fees from oil and gas companies operating in certain deep waters of Gulf of Mexico. (Grijalva amendment to strike this provision was defeated 203-227, Vote 128, April 21, 2005) It also repeals royalty relief for deep gas wells leased in shallow waters of the western and central areas of the Gulf. It includes a provision from the President's FY 2007 budget restoring drilling permit application cost recovery fees; the 2005 Energy bill prohibited these fees. The measure also strikes royalty relief for specific offshore drilling in Alaska, and special treatment for leases in the National Petroleum Reserve – Alaska (NPR-A). (CBO: \$210 million over 10 years)
- **Enact Royalty Relief Reform:** In 1998 and 1999 the Interior Department issued oil and gas leases for drilling offshore in the Gulf of Mexico that failed to include “price thresholds,” which trigger a requirement for companies to pay royalties to the federal government when the price of oil and gas exceeds a certain level. Due to this oversight, companies awarded these leases became exempt from paying any royalties. Congressional auditors have said the government has already lost up to \$2 billion in royalties and could lose as much as \$10 billion over the life of the leases because of the mistake. [Government Accountability Office, 3/06 and 8/06]
- H.R. 6 requires companies, which have not paid royalties as a result of the 1998 and 1999 leases, to pay their fair share in order to be eligible for new federal leases for drilling. Specifically, the measure requires current offshore fuel producers who are not paying federal royalties to either: 1) agree to pay royalties when fuel prices reach certain thresholds (\$34.73 per barrel for oil and \$4.34 per million Btu for natural gas), or 2) to pay new fees established in the bill -- in order to be eligible for new federal leases for drilling. Under the bill, a new “conservation of resource fee” would be based on the

amount of oil produced and will apply existing royalty free leases and shall be set at \$9 per barrel for oil and \$1.25 per million Btu for gas. Under the bill, these provisions would take effect October 1, 2006. Oil companies would not be required to pay fees or royalties for oil produced prior to that date. (CBO: \$6.1 billion over 10 years)

- Similar royalty relief provisions have been debated and passed by the House as part of the OCS drilling bill (H.R. 4761) and in the Interior Appropriation bill with bipartisan support of 67 Republicans. [Vote 167, 5/18/2006] A similar measure was narrowly defeated in December. [2006 CQ House Vote 532, 12/8/2006]
- Create a Strategic Energy Efficiency and Renewables Reserve: The bill creates a "Strategic Energy Efficiency and Renewables Reserve" to be used to reduce our dependence on foreign oil. The Reserve would be available to pay for subsequent legislation to:
 - Accelerate the use of clean domestic renewable energy resources and alternative fuels;
 - Promote the utilization of energy-efficient products and practices and conservation; and;
 - Increase research, development, and deployment of clean renewable energy efficiency technologies.

Quote of the Day

"The time is always right to do what is right." Dr. Martin Luther King, Jr.
